

ASSEMBLY BILL

No. 2576

Introduced by Assembly Member De La Torre

February 23, 2006

An act to amend Section 739.1 of the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 2576, as introduced, De La Torre. Public utilities:California Alternative Rates for Energy program.

(1) Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations and gas corporations, as defined. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Existing law requires the commission to establish a program of assistance to low-income electric and gas customers, referred to as the California Alternate Rates for Energy (CARE) program. Existing decisions of the commission establish eligibility for the CARE program at 175% of the federal poverty guidelines.

This bill would require that the commission establish eligibility for the CARE program at 250% of the federal poverty guidelines.

Under existing law, a violation of the Public Utilities Act or an order or direction of the commission is a crime.

Because a violation of an order or decision of the commission implementing the requirements of the bill would be a crime, the bill would impose a state-mandated local program by creating a new crime.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state.

Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 739.1 of the Public Utilities Code is
2 amended to read:

3 739.1. (a) The commission shall establish a program of
4 assistance to low-income electric and gas customers, the cost of
5 which shall not be borne solely by any single class of customer.
6 The program shall be referred to as the California Alternate Rates
7 for Energy or CARE program. *Eligibility for the CARE program*
8 *shall be established by the commission at 250 percent of the*
9 *federal poverty guidelines.* The commission shall ensure that the
10 level of discount for low-income electric and gas customers
11 correctly reflects the level of need.

12 (b) The commission shall work with the public utility
13 electrical and gas corporations to establish penetration goals. The
14 commission shall authorize recovery of all administrative costs
15 associated with the implementation of the CARE program that
16 the commission determines to be reasonable, through a balancing
17 account mechanism. Administrative costs shall include, but are
18 not limited to, outreach, marketing, regulatory compliance,
19 certification and verification, billing, measurement and
20 evaluation, and capital improvements and upgrades to
21 communications and processing equipment.

22 (c) The commission shall examine methods to improve CARE
23 enrollment and participation. This examination shall include, but
24 need not be limited to, comparing information from CARE and
25 the Universal Lifeline Telephone Service (ULTS) to determine
26 the most effective means of utilizing that information to increase
27 CARE enrollment, automatic enrollment of ULTS customers
28 who are eligible for the CARE program, customer privacy issues,
29 and alternative mechanisms for outreach to potential enrollees.
30 The commission shall ensure that a customer consents prior to
31 enrollment. The commission shall consult with interested parties,

1 including ULTS providers, to develop the best methods of
2 informing ULTS customers about other available low-income
3 programs, as well as the best mechanism for telephone providers
4 to recover reasonable costs incurred pursuant to this section.

5 (d) The commission shall improve the CARE application
6 process by cooperating with other entities and representatives of
7 California government, including the California Health and
8 Human Services Agency and the Secretary of California Health
9 and Human Services, to ensure that all gas and electric customers
10 eligible for public assistance programs in California that reside
11 within the service territory of an electrical corporation or gas
12 corporation, are enrolled in the CARE program. To the extent
13 practicable, the commission shall develop a CARE application
14 process using the existing ULTS application process as a model.
15 The commission shall work with public utility electrical and gas
16 corporations and the Low-Income Oversight Board established in
17 Section 382.1 to meet the low-income objectives in this section.

18 (e) The commission's program of assistance to low-income
19 electric and gas customers shall, as soon as practicable, include
20 nonprofit group living facilities specified by the commission, if
21 the commission finds that the residents in these facilities
22 substantially meet the commission's low-income eligibility
23 requirements and there is a feasible process for certifying that the
24 assistance shall be used for the direct benefit, such as improved
25 quality of care or improved food service, of the low-income
26 residents in the facilities. The commission shall authorize utilities
27 to offer discounts to eligible facilities licensed or permitted by
28 appropriate state or local agencies, and to facilities, including
29 women's shelters, hospices, and homeless shelters, that may not
30 have a license or permit but provide other proof satisfactory to
31 the utility that they are eligible to participate in the program.

32 (f) It is the intent of the Legislature that the commission
33 ensure CARE program participants are afforded the lowest
34 possible electric and gas rates and, to the extent possible, are
35 exempt from additional surcharges attributable to the ~~current~~
36 energy crisis of 2000-01.

37 SEC. 2. No reimbursement is required by this act pursuant to
38 Section 6 of Article XIII B of the California Constitution because
39 the only costs that may be incurred by a local agency or school
40 district will be incurred because this act creates a new crime or

1 infraction, eliminates a crime or infraction, or changes the
2 penalty for a crime or infraction, within the meaning of Section
3 17556 of the Government Code, or changes the definition of a
4 crime within the meaning of Section 6 of Article XIII B of the
5 California Constitution.

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